



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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January 20, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15 January 27, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS FOR DEVELOPMENT OF A
MEDICAL OFFICE BUILDING AT THE MARTIN LUTHER KING, JR. MEDICAL CENTER CAMPUS
(DISTRICT 2) (3 VOTES)**

SUBJECT

This letter recommends the release of a Request for Proposals (RFP) for development of a proposed approximately 50,000 square-foot medical office building to be located on the Martin Luther King, Jr. (MLK) Medical Center Campus in Willowbrook. The RFP will be released to a short list of developers, approved by the Executive Director on November 17, 2014, in accordance with the Request for Qualifications process approved by the Board on August 19, 2014 and October 14, 2014.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the release of an RFP for development of a proposed medical office building on County-owned property at the MLK Medical Center Campus.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the RFP is to identify a developer for a proposed approximately 50,000 square-foot medical office building on the MLK Medical Center Campus. The County is seeking proposals for the proposed project that should include facilities that can support a variety of medical uses, including space for specialty physicians, labs, outpatient testing, physical therapy, durable medical equipment, chronic care treatment facilities (such as dialysis), and other health related services that will operate in coordination with the new MLK Community Hospital and the MLK Outpatient Center. The medical office building will provide patients with an integrated system of care that guides and tracks patients over time through a comprehensive array of health services.

FISCAL IMPACT/FINANCING

There is no fiscal impact on the County General Fund at this time. Upon completion of the RFP process, the Commission intends to return to the Board of Supervisors with a recommendation that the County enter into exclusive negotiations for a long-term ground lease with the selected proposer.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Government Code Section 25515, et seq., the Legislature has found that the provision for residential, commercial, industrial, and cultural development of public property owned by counties constitutes a valid public purpose and authorizes such development.

As required by Government Code Section 54222, the Commission issued a written offer on November 5, 2014 to all local public entities within whose jurisdiction the MLK Medical Center Campus is located. The offer indicated that the County of Los Angeles, by and through the Commission, intends to dispose of the unimproved parcels as surplus property. Recipients were given 60 days from receipt of the offer to notify the Commission of their intent to acquire the lot. The Commission received and responded to one informational inquiry. However, we received no responses indicating an interest in acquiring the property.

The County may also be required to provide a Right of First Offer to the MLK Los Angeles Healthcare Corporation, per the terms of its lease, before the County negotiates a lease or operation of new facilities to a third party. The period for Right of First Offer is 30 days, and will occur concurrently with the issuance of the RFP.

Due to County land ownership, the MLK Medical Center Campus does not require approval from local municipalities for the development of a hospital or ancillary uses. The selected developer will be expected to pursue any required approvals through the County's Department of Regional Planning and any other department having jurisdiction. Those requirements and other development standards will be established in a long-term ground lease to be entered into by the selected proposer and the County, upon approval by the Board of Supervisors.

ENVIRONMENTAL DOCUMENTATION

Approval of the recommended action is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378(b)(5) of the State CEQA Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

In October 2011, the Board certified an Environmental Impact Report (EIR) and conceptually approved the build out of the Tier II MLK Medical Center Campus Project. In January 2013, the Board found the MLK Medical Center Campus Master Plan to be within the scope of the Tier II project analyzed in the certified programmatic EIR. Any further necessary documentation under CEQA required for approval of the proposed long-term ground lease with the selected developer will be submitted to the Board for consideration along with further recommended CEQA findings as necessary, upon recommendation of project approval.

CONTRACTING PROCESS

On August 19, 2014, the Board authorized the release of a Request for Qualifications (RFQ) and a subsequent RFP to solicit responses from developers interested in development of an approximately 50,000 square foot medical office building on the Martin Luther King, Jr. Medical Center Campus in Willowbrook.

The Board authorized the Chief Executive Officer (CEO) to issue the RFQ, evaluate the qualifications of the responsive proposers, and report to the Board before issuing an RFP to proposers which were determined to be best qualified.

On October 14, 2014, the Board redirected the coordination of this process and designated the Commission to act on behalf of the County to evaluate the results of the RFQ and to complete the RFP process, taking over the process that the CEO began in August.

On or before the submittal deadline of October 17, 2014, eight firms submitted responses to the RFQ. To evaluate the RFQ responses, the Commission convened a five-member evaluation panel. The RFQ responses were scored by each member of the evaluation panel based on the required information and criteria established in the RFQ. The scores of individual evaluators were then averaged using the "Informed Averaging" method. A short list was approved by the Executive Director on November 17, 2014, in accordance with the process approved by the Board on August 19, 2014 and October 14, 2014. The attached November 20, 2014 memorandum to the Board of Supervisors includes a list of all the bidders and the short list.

The RFP will be issued to the developers on the short list. Responses to the RFP will be due by March 31, 2015, as prescribed in the Resolution adopted by the Board of Supervisors on August 19, 2014. Upon completion of the RFP process, the Commission intends to return to the Board of Supervisors with a recommendation that the Commission, on behalf of the County and in consultation with the CEO, enter into exclusive negotiations for a long-term ground lease between the County and the selected proposer.

The Commission, on behalf of the County, will maintain control over the RFP process by reserving the right to, among other things: (1) amend or withdraw the RFP, or withdraw at any time from this process with no recourse for any proposer; or (2) choose or reject any or all proposals received in response to the RFP.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects. Any future development will replace employee and/or public parking on the campus.

The Honorable Board of Supervisors

1/20/2015

Page 4

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:CC:nt

Enclosures

Community Development Commission

November 20, 2014

TO: Each Supervisor

FROM: Sean Rogan, Executive Director
Community Development Commission



SUBJECT: SHORT LIST FOR THE MARTIN LUTHER KING, JR. MEDICAL CENTER CAMPUS MEDICAL OFFICE BUILDING REQUEST FOR PROPOSALS

On August 19, 2014, the Board authorized the release of a Request for Qualifications (RFQ) and a subsequent Request for Proposals (RFP) to solicit responses from developers interested in development of an approximately 50,000 square foot medical office building (MOB) on the Martin Luther King, Jr. Medical Center Campus in Willowbrook.

The Board authorized the Chief Executive Officer (CEO) to issue the RFQ, evaluate the qualifications of the responsive proposers, and report to the Board before issuing an RFP to proposers which were determined to be best qualified.

On October 14, 2014, the Board redirected the coordination of this process and designated the Community Development Commission (Commission) to act on behalf of the County to evaluate the results of the RFQ and to complete the RFP process, taking over the process that the CEO began in August.

On or before the submittal deadline of October 17, 2014, the following eight (8) firms submitted responses to the RFQ.

- Duke Realty
- Ensemble Lincoln
- Hammes Company
- Lend Lease
- Meridian
- Omni West
- Pacific Medical Buildings
- Trammell Crow

To evaluate the RFQ responses, the Commission convened a five-member evaluation panel consisting of Commission and County staff and one outside architect. All evaluation panel members signed Conflict of Interest/Non-Disclosure certifications. The RFQ responses were scored by each member of the evaluation panel based on the required information and criteria established in the RFQ. The scores of individual evaluators were then averaged using the "Informed Averaging" method.

There was no predetermined threshold score for the short list. However, we observed a natural break in the distribution of scores after the four highest scoring responses. Therefore, I approved the selection of the top four responses for the RFP short list. These proposers are:

- Duke Realty
- Lend Lease
- Omni West
- Trammell Crow

These proposers will be invited to submit proposals during the forthcoming RFP process. We will return to your Board for authorization to issue the RFP. If you have any questions, please contact me or Cordé Carrillo, Director of Economic and Housing Development, at (626) 586-1800 or corde@lacdc.org.

SR:TG:CC:nt

c: Each CDC and Health Deputy
William T Fujioka, Chief Executive Officer
Santos Kreimann, Deputy Chief Executive Officer